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**FOREIGN COMPUTER MANUFACTURERS' SALES TO JAPANESE PUBLIC SECTOR  
CONTINUE TO DECLINE**

In response to newly released U.S. computer industry data showing a second consecutive annual decline in the foreign share of Japan's public sector computer market, United States Trade Representative Charlene Barshefsky today expressed concern that Japan's public sector procurement programs are out of sync with open, fair and competitive practices.

Ambassador Barshefsky stated, "The continued downward trend in Japanese Government procurement of foreign computers is very troubling. Not only does this run counter to the goals of our bilateral agreement with Japan on computers, but it is also inconsistent with the relative success that U.S. computer firms have enjoyed in the Japanese market overall." Ambassador Barshefsky noted that the foreign-manufactured share of the Japanese commercial computer market is almost four times that of the public sector market.

The 1996 data (the latest year for which data is available for these categories of computers), compiled by the computer industry's Computer Systems Policy Project (CSPP), was released on June 9, 1998. CSPP's figures highlighted the downward trend, showing that in the area of mid-range/main frame computers, the foreign share of the public Japanese market slipped from 10.2 percent to 9.3 percent from 1995 to 1996. This followed a drop from 13.7 percent to 10.2 percent in the 1994-1995 time frame. A significant decline can also be seen in Japanese public procurement of foreign-made personal computers (PCs), which fell from 10.9 percent to 7.7 percent from 1995-1996. Similarly, public procurement of foreign PCs decreased from 11.6 percent to 10.9 percent in the 1994-1995 time frame.

Representatives from the two governments will meet this summer in Washington D.C. to review implementation of the Bilateral Computer Agreement. This agreement, concluded in 1992, is aimed at expanding Japanese government procurement of foreign computer equipment, software and services through non-discriminatory and transparent procedures.